

Assembly Bill No. 1628

Passed the Assembly September 4, 2001

Chief Clerk of the Assembly

Passed the Senate August 30, 2001

Secretary of the Senate

This bill was received by the Governor this _____ day of
_____, 2001, at _____ o'clock __M.

Private Secretary of the Governor

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CHAPTER _____

An act to amend Section 19622.3 of the Business and Professions Code, to amend Sections 3332.1 and 4051.1 of, and to add Section 4051.2 to, the Food and Agricultural Code, relating to fairs.

LEGISLATIVE COUNSEL'S DIGEST

AB 1628, Committee on Agriculture. Fairs.

Existing law provides the Department of Food and Agriculture with regulatory authority over district agricultural associations, and authorizes the department to delegate approval authority for such matters as the department may determine to the board of directors of the association. Existing law permits the board of directors of district agricultural associations and the board of directors of the California Exposition and State Fair to enter into agreements to secure donations, memberships, sponsorships, and marketing and licensing agreements for the receipt of money, or services, or products in lieu of money. Existing law permits the board to employ or enter into an agreement with an entity or person to develop, solicit, sell, and service these agreements.

This bill would also authorize the boards to create and participate in an entity to develop, solicit, sell, and service these agreements. This bill would place additional requirements on the district agricultural association boards by requiring them to give written notification to the Department of Food and Agriculture before entering these agreements if the agreements, among other things, exceed a specified amount and prior to creating an entity. This bill would also prohibit an association from entering into a settlement for an amount greater than \$10,000 without prior approval of the department.

The people of the State of California do enact as follows:

SECTION 1. Section 19622.3 of the Business and Professions Code is amended to read:

19622.3. (a) The authority of the Department of Food and Agriculture shall include, but is not limited to, requiring district



agricultural associations to meet all applicable standards prescribed by the Department of Food and Agriculture.

(b) The department may delegate approval authority for such matters as the department may determine to the board of directors if the board complies with this section. The department shall report annually to the Joint Committee on Fairs Allocation and Classification the names of fairs that are delegated that authority.

(c) Notwithstanding any other provision of law, and in order to protect the integrity of the Fair and Exposition Fund, the department may assume any or all rights, duties, and powers of the board of directors of a district agricultural association if the department reasonably determines that there is insufficient fiscal or administrative control. The board of directors shall again exercise these rights, duties, and powers when the department determines that the fair is in compliance with this section. The department shall report annually to the Joint Committee on Fairs Allocation and Classification the names of fairs with respect to which the department has taken the action prescribed in this subdivision and subdivision (d).

(d) The department may petition a court of competent jurisdiction for an order appointing the department, or a person designated by the department, as a receiver if it determines that the fair is insolvent, or is in imminent danger of insolvency. The court shall appoint a receiver upon a showing that the fair is insolvent, or is in imminent danger of insolvency.

(e) For the purposes of this section, “insolvency” means that the district agricultural association is unable to discharge its debts as they become due in the usual course of business.

SEC. 2. Section 3332.1 of the Food and Agricultural Code is amended to read:

3332.1. Notwithstanding any other provision of law and in accordance with procedures established by the board, the board may enter into agreements to secure donations, memberships, and corporate and individual sponsorships, and may enter into marketing and licensing agreements for the receipt of money, or services or products in lieu of money, and may employ an entity or individual, or create and participate in an entity, or enter into an agreement with an entity or person to develop, solicit, sell, and service these agreements. The compensation for the entity or person shall be established by the board.



SEC. 3. Section 4051.1 of the Food and Agricultural Code is amended to read:

4051.1. (a) Notwithstanding any other provision of law, in accordance with procedures established by the board, the board may enter into agreements to secure donations, memberships, and corporate and individual sponsorships, and may enter into marketing and licensing agreements for the receipt of money, or services or products in lieu of money, and may employ, or create and participate in an entity, or enter into an agreement with an entity or person to develop, solicit, sell, and service these agreements. The compensation for the entity or person shall be established by the board.

(b) Written notification to the department shall be required prior to creating an entity for the activities described in this section and prior to entering into any agreement for activities described in this section if the agreement exceeds one hundred thousand dollars (\$100,000) in value, exists for a period of greater than two years, or contemplates the building of a permanent structure on fair property. The department may, upon reasonable notice, examine the books and records of any entity created pursuant to this section.

SEC. 4. Section 4051.2 is added to the Food and Agricultural Code, to read:

4051.2. An association shall not enter into a settlement agreement for an amount greater than ten thousand dollars (\$10,000) without the prior approval of the department.



Approved _____, 2001

Governor

